

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA**

**UNITED STATES OF AMERICA                      \*                      CRIMINAL DOCKET NO. 08-165**

**V. \* SECTION: “I”**

SHIRLEY FREEMAN \*

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## FACTUAL BASIS

If this case were to proceed to trial, the United States would prove beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts:

SHIRLEY FREEMAN, defendant herein, was the owner and manager of Cribs to Crayons Early Learning Center (“Cribs to Crayons”). Cribs to Crayons was a social service provider offering supportive childcare services for parents receiving work experience training prior to entering the permanent workforce. Cribs to Crayons was funded under Title I of the Workforce Investment Act of 1998 (“Act”). The Act funded Cribs to Crayons through the United States Department of Labor, Employment and Training Administration (“ETA”) for job-training programs, childcare and transportation assistance, to improve the employment prospects of adults, youth and dislocated workers.

To implement disbursement of funds and to provide social services mandated by the Act, the State of Louisiana established local workforce investment districts. Cribs to Crayons receipt of ETA funds was handled under the auspices of the Louisiana Workforce Investment Act - District 20 ("LWIA"). The LWIA included Tangipahoa Parish and was administered locally by the Tangipahoa Parish School Board.

The Act provided two basic services: the work experience program and childcare assistance. Work experience involved structured, limited duration learning experiences within an operating business to enable workers to obtain employment with that business or another. The Act subsidized workers by paying their wages, benefits and childcare costs to assist them in completing the work experience program.

The Childcare Assistance Program ("CCAP") assisted working parents with childcare needs and was funded by a U.S. Department of Health and Human Services ("USDHHS") block grant administered by the Louisiana Department of Social Services ("DSS"). CCAP accomplished its goals through direct payment to eligible daycare providers, such as Cribs to Crayons, on behalf of workers.

The federal funds remitted to Cribs to Crayons by the LWIA and DSS as reimbursement for social services were furnished pursuant to a financial assistance agreement and contract under the Act and CCAP. Significantly, federal regulations prohibited workers from receiving childcare assistance payments under the Act if they were also eligible for similar assistance through state programs such as CCAP.

Defendant SHIRLEY FREEMAN, as owner/manager of Cribs to Crayons, was required every month to report the attendance of each child receiving childcare by submitting truthful and accurate

childcare reimbursement vouchers to the LWIA or the DSS for payment. On approximately January 3, 2003, defendant SHIRLEY FREEMAN signed DSS childcare assistance certificates agreeing to provide part-time childcare for “T.J.”, “P.N.”, “A.H.” and “D.M.”, the children of “S.N.” (“S.N.” children). From approximately December, 2002 through approximately May, 2003, as part of its supportive services, DSS paid 100% of the childcare assistance expenditures charged by Cribs to Crayons for the “S.N.” children. From approximately December, 2002 through approximately May, 2003, defendant SHIRLEY FREEMAN submitted childcare vouchers on the “S.N.” children to LWIA attesting that she provided the identical childcare services as those she submitted to DSS and thereby obtained duplicate childcare reimbursement payments from ETA.

On or about May 31, 2003, defendant SHIRLEY FREEMAN, as an agent of Cribs to Crayons, an organization receiving funding under Title I of the Workforce Investment Act of 1998, embezzled, stole and obtained by fraud monies, funds and assets which were the subject of a financial assistance agreement pursuant to the Act by submitting a false and fraudulent childcare voucher to LWIA on May 31, 2003 for \$1,380.00 attesting to providing full-time childcare for the “S.N.” children, while invoicing DSS on June 2, 2003 and receiving payment for the exact same services. These actions resulted in her fraudulent receipt of a duplicate childcare reimbursement payment from LWIA to wit: LWIA check number 016108, dated August 4, 2003. The total monetary loss to LWIA associated with defendant SHIRLEY FREEMAN’s submission of fraudulent vouchers was \$60,055.19.

In summary, the evidence introduced at trial would establish all of the elements of the offense and prove the defendant's guilt beyond a reasonable doubt.

READ AND APPROVED:

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SHIRLEY FREEMAN (Date)  
Defendant

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MICHAEL M. SIMPSON (Date)  
Assistant U.S. Attorney

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RONALD J. RAKOSKY (Date)  
Counsel for Shirley Freeman

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RICHARD R. PICKENS, II (Date)  
Assistant U.S. Attorney